



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 8/12/2004

GAIN Report Number: E34048

EU-25

Trade Policy Monitoring

Commission tables report on simplification for fruit and vegetable market

2004

Approved by:

Christine Strossman
U.S. Mission to the EU

Prepared by:

Hilde Brans

Report Highlights:

On August 10, 2004, the European Commission tabled a report on the simplification of the common market organization (CMO) of fruit and vegetables. The report includes a list of open strategic questions regarding the future of the CMO and intends to stimulate a debate in the Council, the European Parliament and within the sector.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E3]

Commission tables report on simplification for fruit and vegetable market

Intro

On August 10, 2004, the European Commission tabled a report on the simplification of the common market organization (CMO) of fruit and vegetables. The report gives a chronological overview of the modifications that were made to the CMO's for fresh and processed fruit and vegetables in an attempt to simplify the rules. The sectors concerned by the simplification package have been the fresh fruit and vegetables sector, processed fruit and vegetables (tomatoes, peaches and pears), the citrus sector and nuts. Export refunds as well as intervention schemes were also concerned by the simplification plan.

The report includes a list of open strategic questions regarding the future of the CMO and intends to stimulate a debate in the Council, the European Parliament and within the sector. Depending on the outcome of this debate, the report may be followed by legislative proposals in due course. The report will be followed by a working document prepared by the Commission services presenting a statistical analysis of the sector, an analysis of the Producer Organizations and the related Operational Funds and an analysis of budgetary issues in the recent years.

Simplification Package

Following a 2001 European Commission report on the CMO of fruit and vegetables, the Commission launched a work program in 2003 that focused on simplifying and clarifying regulations. In this context, regulations 1432/2003 on the recognition of Producer Organizations, 1433/2003 on Operational Funds & Programs, 1535/2003 on the aid scheme for processed fruit and vegetables, 2111/2003 on an aid scheme for citrus fruit producers and 103/2004 on intervention arrangements were adopted (also see GAIN report E24021). In November 2001, a new tendering system was introduced in the management of export refunds for fresh fruit and vegetables.

A new system for nut producers – a direct payment based on area – was adopted in the framework of the CAP reform (Regulation 1782/2003). The new system involves the payment of a European subsidy of EUR 120.75 per hectare per year, with member states allowed to top up the EU aid by EUR 120.75 per hectare per year.

Strategic questions

In order to stimulate and focus the debate on possible improvements to the CMO, the report raises the following strategic questions:

- Is there a need to reform the CMO?
- How can Producer Organizations attract more members?
- How can the grouping of supply in regions where the organization is weak be improved?
- Should specific cross-compliance for fruit and vegetables be maintained or integrated in the new cross-compliance framework developed in the CAP reform?
- How can the supply of quality products and/or products obtained under environmentally friendly conditions be improved?
- How can a better crisis management be ensured?
- Is there a need to introduce radical changes in the specific aid schemes for processed products and citrus?
- How can the coherence of the fruit and vegetables regime and the Rural Development regulation be improved?
- How can use of the current budget be improved?

The full report can be downloaded from the Internet at
http://europa.eu.int/comm/agriculture/publi/reports/fruitvegsimpl/index_en.htm

Visit our website: our website www.useu.be/agri/usda.html provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information. More information on the EU's horticultural sector can be found at www.useu.be/agri/hortireps.html. E-mail: AgUSEUBrussels@usda.gov

Related reports from USEU Brussels:

Report Number	Title	Date Released
E24021	EU Fruit & Vegetables Regime – Simplified Rules	4/27/2004
E23064	Overview of EU Subsidy Programs	4/29/2003
E23236	Spanish Aid to Nut Producers	12/09/2003
These reports can be accessed through our website www.useu.be/agri or through the FAS website http://www.fas.usda.gov/scripts/attacherep/default.asp .		